

SENATE BILL 373

C5

2lr2262

By: **Senators Middleton and Klausmeier**

Introduced and read first time: January 30, 2012

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Gas and Electric Companies – Use of Trade Name or Trademark – Royalties**

3 FOR the purpose of prohibiting certain persons from using the trade name or
4 trademark of an affiliated gas and electric company for a certain purpose unless
5 the person remits certain royalties to the gas and electric company under
6 certain circumstances; requiring a gas and electric company that collects certain
7 royalties under this Act to pay the royalties to the Comptroller; requiring the
8 Comptroller to place certain revenue into the electric universal service program
9 fund to be used for a certain purpose; requiring the Public Service Commission
10 to verify certain gross receipts and that certain royalties have been collected
11 and paid in a certain manner; providing for the application of this Act; defining
12 a certain term; and generally relating to the payment of royalties for the use of
13 a gas and electric company's trade name or trademark.

14 BY repealing and reenacting, without amendments,
15 Article – Public Utilities
16 Section 7–512.1(a)(1), (2), and (4), (e), and (f)(1), (2), and (4)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2011 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Public Utilities
21 Section 7–512.1(f)(3)
22 Annotated Code of Maryland
23 (2010 Replacement Volume and 2011 Supplement)

24 BY adding to
25 Article – Public Utilities
26 Section 7–801 to be under the new subtitle “Subtitle 8. Miscellaneous
27 Provisions”
28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2010 Replacement Volume and 2011 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Public Utilities

7–512.1.

(a) (1) The Commission shall establish an electric universal service program to assist electric customers with annual incomes at or below 175% of the federal poverty level.

(2) The components of the electric universal service program shall include:

(i) bill assistance;

(ii) low-income residential weatherization; and

(iii) the retirement of arrearages for electric customers who have not received assistance in retiring arrearages under the universal service program within the preceding 7 fiscal years.

(4) (i) The Department of Human Resources, through the Office of Home Energy Programs, is responsible for administering the bill assistance and the arrearage retirement components of the electric universal service program.

(ii) The Department of Human Resources may:

1. establish minimum and maximum benefits available to an electric customer under the bill assistance and arrearage retirement components; and

2. coordinate benefits under the electric universal service program with benefits under the Maryland Energy Assistance Program and other available energy assistance programs.

(e) The total amount of funds to be collected for the electric universal service program each year shall be \$37 million, allocated in the following manner:

(1) \$27.4 million shall be collected from the industrial and commercial classes; and

(2) \$9.6 million shall be collected from the residential class.

(f) (1) In this subsection, “fund” means the electric universal service program fund.

(2) There is an electric universal service program fund.

(3) (i) 1. The Comptroller shall collect the revenue collected by electric companies under subsection (b) of this section and place the revenue into the fund.

2. The General Assembly may appropriate funds supplemental to the funds collected under subsubparagraph 1 of this subparagraph.

3. IN ADDITION TO THE FUNDS COLLECTED UNDER SUBSUBPARAGRAPH 1 OF THIS PARAGRAPH, THE COMPTROLLER SHALL COLLECT THE ROYALTIES REMITTED TO A GAS AND ELECTRIC COMPANY UNDER § 7–801 OF THIS TITLE AND PLACE THE REVENUE INTO THE FUND.

(ii) The fund is a continuing, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(iii) The purpose of the fund is to assist electric customers as provided in subsection (a)(1) of this section.

(4) The Department of Human Resources, with oversight by the Commission, shall disburse the bill assistance and arrearage retirement funds in accordance with the provisions of this section.

SUBTITLE 8. MISCELLANEOUS PROVISIONS.

7–801.

(A) IN THIS SECTION, “AFFILIATE” HAS THE MEANING STATED IN § 7–501 OF THIS TITLE.

(B) THIS SECTION APPLIES ONLY TO A PERSON THAT:

(1) IS AN AFFILIATE OF A GAS AND ELECTRIC COMPANY; AND

(2) PROVIDES HEATING, VENTILATION, AIR–CONDITIONING, OR REFRIGERATION SERVICES.

(C) A PERSON MAY NOT USE, AS PART OF THE PERSON’S OWN TRADE NAME OR TRADEMARK, THE TRADE NAME OR TRADEMARK OF A GAS AND ELECTRIC COMPANY, UNLESS THE PERSON REMITS EACH YEAR TO THE GAS AND

1 ELECTRIC COMPANY, IN RETURN FOR THE PRIVILEGE OF USING THE GAS AND
2 ELECTRIC COMPANY'S TRADE NAME OR TRADEMARK, ROYALTIES EQUAL TO:

3 (1) 2% OF THE PERSON'S ANNUAL GROSS RECEIPTS; OR

4 (2) AN AMOUNT DETERMINED BY THE COMMISSION TO BE
5 APPROPRIATE, BASED ON THE VALUE OF THE TRADE NAME OR TRADEMARK.

6 (D) (1) A GAS AND ELECTRIC COMPANY THAT COLLECTS ROYALTIES
7 FOR THE USE OF ITS TRADE NAME OR TRADEMARK UNDER SUBSECTION (C) OF
8 THIS SECTION SHALL PAY THE ROYALTIES TO THE COMPTROLLER.

9 (2) THE COMPTROLLER SHALL PLACE THE REVENUE COLLECTED
10 UNDER PARAGRAPH (1) OF THIS SUBSECTION INTO THE ELECTRIC UNIVERSAL
11 SERVICE PROGRAM FUND ESTABLISHED UNDER § 7-512.1 OF THIS TITLE TO BE
12 USED FOR THE ELECTRIC UNIVERSAL SERVICE PROGRAM ADMINISTERED BY
13 THE DEPARTMENT OF HUMAN RESOURCES THROUGH THE OFFICE OF HOME
14 ENERGY PROGRAMS.

15 (E) THE COMMISSION ANNUALLY SHALL VERIFY:

16 (I) THE ANNUAL GROSS RECEIPTS OF ANY PERSON USING, AS
17 PART OF THE PERSON'S OWN TRADE NAME OR TRADEMARK, THE TRADE NAME
18 OR TRADEMARK OF A GAS AND ELECTRIC COMPANY; AND

19 (II) THAT APPROPRIATE ROYALTIES, AS REQUIRED TO BE
20 REMITTED UNDER SUBSECTION (C) OF THIS SECTION, HAVE BEEN COLLECTED
21 BY THE GAS AND ELECTRIC COMPANY AND PAID IN ACCORDANCE WITH
22 SUBSECTION (D) OF THIS SECTION.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2012.